

R.J. Reynolds

Tobacco Co.

James McLean

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TO: All Retail Reps and Retail Managers With Smokin Joe's Accountabilities
(CN ID 0525-00-00)

RE: 2nd Qtr Business Analysis.

Ladies & Gentlemen,

I thought you would be interested in how Smokin Joe's is performing against our region objectives. Smokin Joe's has done well so far in 1997. Camel has fallen a little short of our region expectations, but in the CTS segment that is not that unusual. Camel does however continue to grow and I am confident that we will reach our mark by years end. RJR overall share is up 3 %. With every measurable category showing gains except for a slight loss to Monarch, things are looking GREAT!!

These extremely positive results are due to all the effort that you folks give to this chain while implementing RJR programs on a daily basis. I appreciate all your efforts. Keep up the good work!

	Base YTD '96	YTD '97	97 Region Objective	97 Chain Objective	YTD vs. Objective
Total RJR SOM	33.52%	35.80%			
RJR FP SOM	17.00%	18.04%	Maintain	17.00%	1.04%
Camel (x-Reg) SOM	3.86%	4.41%	0.60%	4.46%	-0.05%
Total Winston SOM	7.47%	7.93%			
Salem SOM	4.03%	4.20%			
RJR SOSC	31.50%	34.49%			
Doral SOSC	26.96%	30.55%	1.73%	28.69%	1.86%
Monarch SOSC	4.01%	3.75%			
RJR P/L SOSC	.36%	0.00%			

Sincerely,

Jim

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